



## Press Clipping Article

**Title:** State offers 'one more shot' for cooperative's building

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**Lead:**

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The executive director of the Governor's Office of Agricultural Policy said Thursday the agency is making one last attempt to help Owensboro area vegetable growers benefit from the former West Kentucky Growers Cooperative building in Daviess County.

After the cooperative dissolved earlier this year, the state took the building as compensation for loans the cooperative took from the Agricultural Development Board but could not repay.

The state hopes to lease the building to an agribusiness and would like to have an occupant by the first of next year, Keith Rogers said.

"This has taken a lot of staff resources and this has taken a lot of time ... but we feel strongly we need to give one more shot to this facility," Rogers told farmers and agricultural officials Thursday night. The meeting was called to discuss the building's future -- and to get local opinion on how the building could be used to best help local farmers.

A request for bidders on the building will be posted in national agricultural publications and other areas next week, Rogers said. Bids will be reviewed by a committee. The Agricultural Finance Corp., which officially owns the building, will get final approval on the bids.

Rogers said bids will be judged in part on how much the bidding company will benefit the local farming community. The state is looking for a company to lease the building for three years, with the option to purchase it after the lease runs out.

"Our hope is 'Company X' can come to Owensboro, develop a strong business here they want to maintain and keep, and at the end of the three years, they want to maintain it and keep it going," Rogers said.

The bids will be reviewed by a committee from the state Finance Cabinet, Agricultural Finance, the Office of Agricultural Policy and others. Wayne Mattingly, a farm loan officer

and a member of the state Agricultural Development Board, suggested a local person should serve on the committee as well.

"Someone locally in this region is going to have a lot better flavor for what is tolerable than, I hate to say it, someone in Frankfort," Mattingly said.

Bidding would be open to any type of agribusiness, although the building is best suited for vegetable processing, Rogers said previously. The cooperative operated the building for vegetable processing for several years, but was unable to weather the rough and unforgiving commercial vegetable market.

When asked if farmers would want a new vegetable company to offer them a set contract price for their vegetables or a market price, the group said they preferred having a contract.

"Your high (market) prices don't stay there very long," said farmer Keith Riney. "Before long, it's in the gutter."

Nathan Howard, a vegetable crops associate with the Daviess County Cooperative Extension Service, said it would take a few years for a company to develop a base of growers.

"If you can get an opportunity for a contract price ... that's going to make it more attractive," Howard said.

Alan Taylor, former president of the West Kentucky cooperative board, asked if a group of farmers could bid on the building. Rogers said they could -- but bidders could not expect financial help from the state Agricultural Development Fund.

"There will be no ability for the entity bidding to access agricultural development dollars or agricultural finance dollars to make this go," Rogers said. "The entity has to have the resources to make (the operation) work."

The company that receives the lease would have the ability to contract with any farmers it chooses without state interference, Rogers said. The company receiving the lease does not necessarily have to be a vegetable business. Farmer Rod Kuegel said any agribusiness that benefits local farmers would be welcome.

"If someone has the ability to produce more income doing something different in agriculture, I say bring them on," Kuegel said.

As a last resort, the state could sell the building if all bids to lease it are rejected. The state hopes to award a lease agreement in October, Rogers said.

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